

Different sectors lead the bond market from year to year

Annual returns for key indexes (1998–2017) ranked in order of performance (highest to lowest)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
HIGHEST RETURN	IB 18.44%	Converts 39.56%	LTT 20.27%	EMD 9.70%	IB 22.37%	HY 27.47%	IB 12.55%	EMD 10.25%	Converts 12.83%	IB 11.03%	LTT 24.03%	HY 58.76%	Converts 16.77%	LTT 29.93%	EMD 17.44%	Converts 24.92%	LTT 25.07%	Munis 3.30%	HY 18.22%	Converts 13.70%
	LTT 13.52%	EMD 19.56%	EMD 12.68%	AGG 8.44%	LTT 16.79%	Converts 27.15%	EMD 11.62%	LTT 6.50%	HY 11.58%	LTT 9.81%	GNMA 7.87%	Loans 51.61%	HY 14.86%	Munis 10.70%	HY 15.67%	HY 8.42%	Converts 9.44%	GNMA 1.39%	Converts 10.43%	IB 10.51%
	Converts 8.93%	MM 4.79%	Munis 11.68%	STT 8.39%	EMD 13.65%	EMD 22.21%	HY 11.25%	Loans 5.08%	EMD 9.86%	STT 7.31%	STT 6.67%	Converts 49.13%	EMD 12.24%	GNMA 7.90%	Converts 14.96%	Loans 5.29%	Munis 9.05%	EMD 1.18%	EMD 10.15%	EMD 10.26%
	AGG 8.69%	Loans 3.65%	AGG 11.63%	GNMA 8.22%	AGG 10.25%	IB 19.36%	Converts 9.61%	Munis 3.51%	IB 8.16%	GNMA 6.98%	AGG 5.24%	EMD 29.82%	Loans 10.17%	AGG 7.84%	Loans 9.66%	STT 0.36%	EMD 7.43%	STT 0.56%	Loans 10.14%	LTT 8.53%
	STT 7.02%	STT 2.90%	GNMA 11.11%	HY 5.70%	Munis 9.60%	Loans 9.97%	LTT 7.70%	GNMA 3.21%	Loans 6.77%	AGG 6.97%	IB 4.40%	Munis 12.91%	LTT 9.38%	EMD 7.35%	Munis 6.78%	MM 0.02%	AGG 5.97%	AGG 0.55%	AGG 2.65%	HY 7.80%
	GNMA 6.93%	HY 2.34%	STT 8.05%	Munis 5.13%	GNMA 8.69%	Munis 5.31%	Loans 5.17%	HY 2.62%	Munis 4.84%	EMD 6.16%	MM 2.43%	IB 7.53%	GNMA 6.67%	HY 6.59%	AGG 4.22%	AGG -2.02%	GNMA 5.97%	MM 0.02%	GNMA 1.56%	Munis 5.45%
	Munis 6.48%	GNMA 1.93%	MM 5.97%	LTT 4.21%	STT 5.87%	AGG 4.10%	Munis 4.48%	MM 2.61%	GNMA 4.61%	MM 4.75%	Munis -2.47%	AGG 5.93%	AGG 6.54%	IB 4.36%	IB 4.09%	GNMA -2.12%	HY 2.15%	Loans -0.69%	IB 1.49%	Loans 4.11%
	Loans 5.25%	AGG -0.82%	Loans 4.99%	Loans 4.18%	HY 1.98%	GNMA 2.85%	GNMA 4.35%	AGG 2.43%	MM 4.46%	Converts 4.53%	EMD -12.03%	GNMA 5.37%	IB 4.94%	STT 1.55%	LTT 3.56%	Munis -2.55%	Loans 1.60%	LTT -1.21%	LTT 1.33%	AGG 3.54%
	MM 5.16%	Munis -2.06%	IB -3.91%	MM 3.72%	Loans 1.91%	LTT 2.48%	AGG 4.34%	STT 1.62%	AGG 4.33%	Munis 3.36%	HY -26.80%	STT 0.80%	STT 2.40%	Loans 1.52%	GNMA 2.42%	IB -3.08%	STT 0.63%	Converts -2.99%	STT 0.86%	GNMA 1.86%
	HY 1.70%	LTT -8.74%	HY -6.33%	IB -3.75%	MM 1.28%	STT 1.92%	STT 0.91%	Converts 1.01%	STT 3.92%	HY 2.69%	Loans -26.11%	MM 0.28%	Munis 2.38%	MM 0.03%	STT 0.43%	EMD -5.25%	MM 0.01%	HY -4.53%	Munis 0.25%	MM 0.61%
LOWEST RETURN	EMD -8.12%	IB -8.83%	Converts -10.00%	Converts -4.44%	Converts -8.58%	MM 0.62%	MM 0.79%	IB -8.65%	LTT 1.85%	Loans 2.02%	Converts -35.73%	LTT -12.92%	MM 0.05%	Converts -5.18%	MM 0.03%	LTT -12.66%	IB -3.08%	IB -6.02%	MM 0.14%	STT 0.43%

- **U.S. investment grade (AGG)** is represented by the Bloomberg Barclays U.S. Aggregate Bond Index, an unmanaged index of U.S. investment-grade fixed-income securities.
- **International bonds (IB)** are represented by the Bloomberg Barclays Global Aggregate Ex U.S. Index, an unmanaged index of global investment-grade fixed-income securities, excluding those from the United States.
- **Municipal bonds (Munis)** are represented by the Bloomberg Barclays Municipal Bond Index, an unmanaged index of long-term fixed-rate investment-grade tax-exempt bonds.
- **Converts** is represented by the ICE BofA ML U.S. Convertible Index, which is an unmanaged index of high-yield U.S. convertible securities.

- **High yield (HY)** is represented by the JPMorgan Developed High Yield Index, an unmanaged index of high-yield fixed-income securities issued in developed countries.
- **Bank loans (Loans)** are represented by the S&P/LSTA Leveraged Loan Index, an unmanaged index of U.S. leveraged loans.
- **Long-term Treasuries (LTT)** are represented by the Bloomberg Barclays U.S. Long Treasury Index, an unmanaged index of U.S. Treasury securities with maturities of 10 years or greater.
- **Short-term Treasuries (STT)** are represented by the Bloomberg Barclays 1–3 Year Treasury Index, an unmanaged index of U.S. government (any agency thereof) or quasi-federal corporate debt with maturities of 1 to 3 years.

- **Ginnie Maes (GNMA)** are represented by the Bloomberg Barclays GNMA Index, an unmanaged index of Government National Mortgage Association (Ginnie Mae) bonds.
- **Money Market (MM)** is represented by the Lipper MM Funds category average, an arithmetical average of the total return of all Lipper MM Funds.
- **Emerging markets (EMD)** are represented by the JPMorgan EMBI Global Diversified, an unmanaged index of external debt instruments (including Brady bonds, loans, Eurobonds, and local market instruments) in the emerging markets.

Not FDIC insured | May lose value | No bank guarantee

Data is historical. Past performance is not a guarantee of future results. It is not possible to invest directly in an index.

Consider portfolio managers who can analyze all sectors

Putnam has extensive experience investing in all types of bonds. Our fixed-income portfolio managers share information and insights with analysts who are grouped into sector teams, working together to assess and navigate complex markets.

Putnam fixed-income funds cover all bond sectors	U.S. government securities	Investment-grade corporate bonds	International bonds	High-yield bonds	Tax-free investment-grade bonds	Tax-free high-yield bonds	Floating rate loans	Mortgage-backed securities	Other Putnam Income funds
Putnam American Government Income Fund	●							●	AMT-Free Municipal Fund
Putnam Diversified Income Trust	●	●	●	●			●	●	CA Tax Exempt Income Fund
Putnam Emerging Markets Income Fund		●	●	●					Government Money Market Fund*†
Putnam Floating Rate Income Fund			●	●			●		Intermediate-Term Municipal Income Fund
Putnam Global Income Trust	●	●	●	●			●	●	MA Tax Exempt Income Fund
Putnam High Yield Fund		●	●	●			●		MN Tax Exempt Income Fund
Putnam Income Fund	●	●	●						Money Market Fund*‡
Putnam Short Duration Income Fund	●	●							NJ Tax Exempt Income Fund
Putnam Tax Exempt Income Fund					●	●			NY Tax Exempt Income Fund
Putnam Tax-Free High Yield Fund					●	●			OH Tax Exempt Income Fund
Putnam U.S. Government Income Trust	●							●	PA Tax Exempt Income Fund
									Short-Term Municipal Income Fund

* You can lose money by investing in a fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

† The values of money market investments usually rise and fall in response to changes in interest rates. Although the fund only buys high quality investments, investments backed by a letter of credit carry the risk that the provider of the letter of credit will not be able to fulfill its obligations to the issuer. Certain securities in which the fund may invest, including securities issued by certain U.S. government agencies and U.S. government sponsored enterprises, are not guaranteed by the U.S. government or supported by the full faith and credit of the United States.

‡ The fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors.

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Consider these risks before investing: Mutual funds that invest in government securities are not guaranteed. Mortgage-backed securities are subject to prepayment risk and the risk that they may increase in value less when interest rates decline and decline in value more when interest rates rise. International investing involves certain risks, such as currency fluctuations, economic instability, and political developments. Lower-rated bonds may offer higher yields in return for more risk. Capital gains, if any, are taxable for federal and, in most cases, state purposes. For some investors, investment income may be subject to the federal alternative minimum tax. Income from federally exempt funds may be subject to state and local taxes. Tax-free funds may not be suitable for IRAs and other non-taxable accounts. The use of derivatives involves additional risks, such as the potential inability to terminate or sell derivative positions and the potential failure of the other party to the instrument to meet its obligations. Mutual funds that invest in bonds are subject to certain risks, including interest-rate, credit, and inflation risks. As interest rates rise, the prices of bonds fall. Long-term bonds are more exposed to interest-rate risk than short-term bonds. Unlike bonds, funds that invest in bonds have ongoing fees and expenses. Putnam Floating Rate Income Fund is not a money market fund and does not seek to maintain a stable net asset value. Although floating rate instruments may reduce risk related to changes in interest rates, they do not eliminate it. In addition, the fund is subject to other significant risks associated with below-investment-grade securities, such as the risk of default in payment on the instruments. Accordingly, the share price of Putnam Floating Rate Income Fund will fluctuate with market conditions. You can lose money by investing in a fund.

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Investors should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. For a prospectus, or a summary prospectus if available, containing this and other information for any Putnam fund or product, call your financial representative or call Putnam at 1-800-225-1581. Please read the prospectus carefully before investing.

Putnam Retail Management